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EXECUTIVE SECRETARIAT**Routing Slip**

*Memo
Dci chano*

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Remarks:

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D/ Executive Secretary

15 Sept 81

Date

81-1689/4

14 September 1981

MEMORANDUM FOR: Director for National Foreign Assessment

FROM: Director of Central Intelligence

SUBJECT: Methacoal

1. This may be of interest in connection with the study I requested on the synthetic fuel technologies which are being developed around the world. You will recall the need for this study arises in relation to the desirability of meeting European energy needs from sources west of what we used to call the Iron Curtain instead of east.

2. There is an interdepartmental review underway on potential methods of achieving this. It focuses on coal from America and Australia and gas from the North Sea as the alternative sources of fuel needed in Europe.

3. To get coal there and distribute it efficiently around Europe it probably has to be liquefied, gasified or slurried. The Methacoal idea is an interesting one because I am told that there is coal which can be mined in West Virginia, married with Methacoal created in alcohol plants existing there and not being used and then pipelined to Norfolk where it can be carried in supertankers to Europe and then further pipelined there.

4. There seem to be two ways of getting Methacoal: One by processing coal into methanol, and second, by processing natural gas into methanol. Both require heavy capital investment. The existing alcohol plants might be used to convert natural gas into methanol. I am not sure.

5. [] has been knocking on doors around town trying to sell this idea. He called me while I was considering the problem represented by the Siberian pipeline and the prospect of meeting that need for American coal and North Sea gas. As a result of that conversation, this memorandum on "Methacoal for Western Europe" was prepared. If the technology is economic it could be applied to making Australian coal more readily usable in Japan and other parts of the world as well.

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[]
for William J. Casey

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